



SUCCESS STORY ***Portland District Office***

What's More Organic Than Granola?

Debi Sommars knows all about organic growth.

Her business, Portland-based Sommars Ovens, has literally grown one customer at a time. Her product, organic granola, is gaining popularity as the organic-food movement becomes more mainstream.

What began as a hobby in her kitchen has become a multistate business in only five years -- a far cry from the late '90s, when she was living in Southern California and baking 2-pound batches of organic granola for friends and family.

Then she moved to Portland with her husband, Mark Rosenbaum, a financial adviser who recently served as Mayor Tom Potter's campaign chair.

While grocery shopping one day, she noticed entire aisles devoted to organic products.

"It was mind-boggling to me," she said. "It wasn't like that in Southern California."

A business idea was born.

She visited the Small Business Administration's SCORE office for business advice. She researched the organic-foods market, discovering annual double-digit growth. She rented test kitchens and tinkered with her recipe.

Her company now bakes about 25,000 pounds annually and is on a trajectory to double production every year.

The former investment adviser's products now are in stores and company and college cafeterias from Northern California to Seattle.

It also has a private label product which accounts for 10 percent of sales.

Though she won't reveal revenue, she says her self-financed, four-person company is expanding and profitable.

"She's taken this further than I thought she could," said Eric Davis, store director at Lamb's at Stroheckers in Portland, which carries her products.

Sommars is quick to point out that she doesn't merely sell granola. She sells "organic" granola -- organic generally implies foods with no pesticides, hormones or genetically modified organisms. A fall 2003 survey by Whole Foods Market found that more than half of all Americans had tried organic food.

Almost a third said they had increased their consumption of organic food and beverages in the previous 12 months.

Sales of natural food products in Oregon and Washington reached \$887 million in 2003, an increase of 18 percent from the previous year, according to the trade group Natural Food Merchandiser.

Sommars, who has become somewhat of an organic evangelist, knew none of this when she began making her own granola 10 years ago.

She is wheat-intolerant, so she began baking organic, wheat-free granola for friends, who started asking for packages to take home.

After moving to the Northwest and deciding to go into business, Sommars was forced to alter her recipe. Larger batches required different ingredients.

"I had to modify it a lot," she said. "What works in 2-pound throws doesn't work in 200-, 500- or 2,000-pound throws."

Despite her company's rapid growth, she still self-distributes her products -- Some Nut Granola (with almonds), No-Nut Granola and granola with flax seed.

In Oregon, Sommars Ovens products are in Lamb's at Stroheckers, City Market, People's Co-op, Wizer's Markets, Market of Choice and Palisades Thriftway.

She visited each store to pitch her product. She also did in-store demos herself, handing out samples to customers.

"I got a lot of feedback that way. I wanted to know what people were thinking," she said.

The region's emphasis on healthy eating, combined with her passion and local address, helped sell her product. Lots of companies make granola, but few produce the organic variety.

Retail sales account for half of company revenue. The college market comprises 40 percent. Sommars calls the growth of her business "serendipitous." Those in the grocery industry, however, are much more generous.

"She's sharp. I've been doing this a long time and I've seen so many products, but the difference with her is, she really believes in what she's selling," said Davis. "Her next step now is to find a distributor."

Sommars Ovens granola is also sold in several cafeterias on college campuses, including Willamette University in Salem and Reed College in Portland.

Dan Sprauer, director of operations at Bon Appetit cafeteria at Reed, said Sommars' granola "is as good as I've ever eaten."

He buys about 200 pounds of granola every month at \$1.78 per pound, about 35 cents less per pound than competitors.

Sommars, who calls herself a "social entrepreneur," recently signed a contract with a distributor in the lucrative and largely untapped Southern California market.

Other lines of potential business include school vending machines, and she's preparing a marketing campaign based around the healthy attributes of organic granola.

She is also open to the possibility of outside financing.

"First of all, [growth] needs to be very thoughtful," she said. She pauses.

"Do I have to have a limitation?"

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